

REAL ESTATE TRANSFER PROCESS

1. A purchaser locates and decides to purchase (with or without the assistance of a real estate broker) a property that is for sale and executes an offer to purchase that property. Upon acceptance by the seller, this document becomes a purchase and sale agreement between the parties. This agreement must properly identify the parties, the property, the price to be paid, when the transfer will take place, and any special conditions of the transaction.
2. The purchaser or a financial institution or both obtain legal counsel to search the title and ensure that the purchaser is getting marketable title to the property. In this search, the attorney(s) must find out about any liens against the property, easements that affect the owner's rights in the property and special classifications like tree growth or farm and open space classification. Municipal tax records should also be searched to find out about delinquent taxes or possible flaws in title information. The attorney then certifies title to his or her client.
3. The attorney, bank or a title company then prepares the deed, mortgage documents, declaration of value and any other documents necessary to completing the transaction. The responsibility for preparation of the deed, releases of mortgages and the declaration of value is usually the responsibility of the seller(s). All other documents are the responsibility of the purchaser(s).
4. At the closing, the deed is signed by the seller(s) and given to the purchaser(s) in return for the agreed-to consideration (delivery of seisin). This act consummates the sale and all conditions of sale are merged into the deed. In addition, in Maine, a declaration of value must be executed by both parties and requires the actual consideration, taxable consideration and any special circumstances of the sale to be stated in that document. The information on the declaration provides the basis for collection of the transfer tax at the registry.
5. The declaration is forwarded from the Registry of Deeds to the Bureau of Revenue Services, Property Tax Division, where it is audited under the terms of the statute and used to develop sales ratio analyses for each municipality in the state. These analyses are used by property tax appraisers in developing equalized values for all municipalities in the state. (State Valuation)
6. One copy of the declaration is sent to the Municipality for its use and the remaining copy is archived on microfilm as historical information concerning sales for the use of the state and others who are searching for transfer information.